GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:4268
ANSWERED ON:17.12.2002
DISINVESTMENT OF RAJASTHAN PSUS
VSM (RETD.) COL. CHOUDHARY

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Union Government have received any request from Government of Rajasthan for not disinvesting Hindustan Zinc Ltd. and Hindustan Copper Limited;

(b) if so, the details thereof;

(c) whether the Union Government have gone into the causes of resentment to Central proposal to disinvest these two profit making PSUs;

(d) if so, reaction of the Government thereto;

(e) whether the Government are considering the aspects of large scale unemployment, non-existence of employment opportunities and severe drought in the State while disinvesting the said PSUs; and

(f) if so, the details thereof and justification for the disinvestment of PSUs?

Answer

MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINIST COMMERCE & INDUSTRY (SHRI ARUN SHOURIE)

(a) & (b) The Chief Minister of Rajasthan had written to the Prime Minister on 27.8.2001 proposing that the disinvestment process in Hindustan Zinc Ltd. (HZL) and Hindustan Copper Ltd. (HCL) may be withheld for the time being as it will affect the employees of these companies and the general employment situation in the State.

(c), (d), (e) & (f) The Chief Minister was informedby the Minister of Disinvestment by a letter on 5.10.2001 that the decision for disinvestment in HZL and HCL had been taken in accordance with the declared policy of the Government to bring down the Government held equity in all non-strategic public sector undertaking to 26% or lower on case by case basis. He was also informed that the Government is committed to protect of the interests of the workers and that this will be ensured through the transaction agreements to be signed at the time of disinvestment. The disinvestment process in HZL has been completed and that of HCL is in progress. HCL has been incurring losses for the last several years. TheMinister of Disinvestment, in his suo-motu statement in the Lok Sabha on 9.12.2002, has stated `In order to provide complete visibility to the Government`s continued commitment of utilization of disinvestment proceeds for social and infrastructure sectors, the Governmen! t would set up a Disinvestment Proceeds Fund. This Fund will be used for financing fresh employment opportunities and investment, and for retirement of public debt`.